

CELLNET COMMUNICATIONS, INC.

Interest: CMRS reseller

CMRS Resale:

- **Number transferability**
 - Number transferability should be applied to CMRS resale. (1)
 - Number transferability would specifically benefit consumers by:
 - Helping resellers obtain better wholesale rates from underlying carriers which they could pass on to the consumer; and (2)
 - Helping subscribers on reseller-provided CMRS service to switch carriers in the event that they are dissatisfied with service or rates. (2)

CELLNET OF OHIO, INC.

Interest: CMRS reseller

CMRS-to-CMRS Interconnection:

- Defers to the comments of the National Wireless Resellers Association (NWRA).

Roaming:

- Regulation of roaming is needed to reduce rates charged for roaming. (1)
- The advances in technology over the past ten years have had little effect on roaming rates. (4)
- The Commission should state for the record that its "best rates" requirement for resellers includes either the roaming rates facilities-based CMRS providers charge their best end-user customers, or the intercarrier roaming rates, whichever is lower. (2).
- Also, resellers should have the ability to resell roaming service to roamers entering the resellers' service areas (suggests ways to do this). (2)
- Few carriers recognize that their resale obligation includes the resale of roaming services. (1)
- The current "Inter-carrier Roaming Rates" are far from cost based. While facilities-based CMRS providers rerate these high rates for their own end-use customers, they continue to charge resellers the higher rates (economic explanation for why this is so). (2)

CMRS Resale:

- **Applicability of requirement; excluded services**
 - The resale requirement should be extended to all CMRS providers. (4)
 - Virtually no set of circumstances would make resale infeasible. Therefore, no exemptions should be allowed. (4)

- The reseller, not the CMRS provider, should decide whether a resale is "economically reasonable." (4)
- New CMRS entrants should be able to resell existing cellular service to their customers during their initial build-out phase. This is crucial to their initial success. (5)
- **Switch interconnection by resellers**
 - Defers to the comments of the NWRA.
- **Number Transferability**
 - Transferability is vital. It will give resellers significant bargaining leverage with CMRS service suppliers and will allow for more competitive rates and less inconvenience for the end user. (5)
 - Number portability in the area of CMRS will have a positive impact on CMRS resellers, as it has had on the long-distance industry. (5)

**CELLULAR SERVICE, INC. &
COMTECH MOBILE TELEPHONE COMPANY**

Interest: Cellular resellers.

CMRS Resale:

- **Switch interconnection by resellers**
 - Protests Commission's refusal to recognize cellular resellers' right to interconnect a switch with facilities of cellular carrier and cellular carriers' obligation to negotiate interconnection with resellers in good faith. (1-3)
 - Notes that they never proposed that their reseller switch proposal be imposed on every CMRS provider. Proposal excluded PCS, ESMR, and other new technologies. Cellular, however, is an established service. (2, 10, 12)
 - Commission's delay protects cellular carriers from competition and thus makes market less competitive. (3)
 - Parties should be required to negotiate agreement within six months and, failing agreement, go to Commission for resolution. (5)
 - § 208 complaint process will not work if Commission does not recognize any CMRS provider's right to interconnect with another CMRS provider. (8)
 - Commission should require negotiation as with LEC-to-cellular carrier interconnection. (9)
 - Hush-a-Phone standard should apply -- interconnection requests should be decided case by case. (10)
 - Recognizing cellular reseller's right to interconnection will not foreclose Commission's options in deciding cellular or other CMRS providers' interconnection rights. (11)
 - Cellular carriers will not let resellers interconnect unless required. (11)

CELLULAR TELECOMMUNICATIONS INDUSTRY ASSOCIATION

Interest: Trade association consisting of commercial mobile service providers, PCS providers, ESMR providers, equipment manufacturers, and support service providers

CMRS-to-CMRS Interconnection:

- **Need for Regulatory Mandate**
 - A general interstate interconnection requirement should not be imposed on CMRS providers. CMRS providers lack the requisite market power that would justify such a requirement, since cellular, SMR, paging, and PCS services are all viable sources of competition. (3-6)
 - Regulations imposing interconnection obligations may generate inefficiencies and diminish consumer welfare. Each type of CMRS has a unique network and potentially different technological requirements, making the costs of direct interconnection prohibitive. (7)
 - Compulsory interconnection may create "free rider" problems by forcing a limited number of providers to assume the risk of establishing new networks. Such free riding would reduce the incentives for build out and decrease consumer choice. (7)
 - CMRS interconnection is currently available via LECs. When it becomes economically attractive to establish direct CMRS interconnection, the market will ensure such a result. (7-8)
 - Since LECs are the only service providers with market power with respect to direct interconnection, only they should be subject to interconnection requirements. (8-9)
 - While CMRS providers do have the ability to terminate traffic to their customers, only LECs have the ability and capacity to reach all customers (i.e., over 90% penetration) within a given area. Only a LEC's refusal to deal would preclude the completion of any significant calling volume. (9-11)
 - CMRS networks do not presently constitute essential facilities, nor will they in the future because of the presence of additional CMRS providers, LECs, and other alternative access providers. (11-12)

- The LEC service area constitutes the controlling geographic market. The local exchange is the area in which an LEC has the requisite ability to deny direct interconnection. (12)
- In evaluating anticompetitive conduct, reliance on LEC investment in, and affiliation with, a party denying interconnection is misplaced. The proper approach is to determine the number of alternative access providers. (12-13)
- The Commission satisfies its Title II obligations by focusing on market power in deciding whether or not to impose general interconnection requirements. Market power is the primary index of discrimination and anticompetitive practices. (13)
- Specific interconnection requirements for CMRS networks cannot be formulated because such networks have yet to be designed. As GSM-based PCS switches and cellular switches illustrate, mobile services technology is in a constant state of flux, making interconnection proposals speculative at best. (13-15)
- The § 208 complaint process can sufficiently protect CMRS providers if other CMRS providers engage in statutorily unreasonable conduct. § 208 eliminates the need to police against allegations of § 201(a) violations via notice and comment rule making proceedings. (15-16)
- **Preemption of State Requirements**
 - Regardless of the Commission's ultimate decision with respect to interconnection requirements, federal preemption of contrary state and local regulations is warranted. (16)
 - *Louisiana Public Service Comm'n v. FCC* provides the Commission with the authority to preempt state and local regulation of direct CMRS interconnection. In particular, the "impossibility" exception to § 2(b) allows the Commission to preempt state activity contrary to the FCC's interstate authority. (17-18)
 - In the case of cellular, the Commission has indicated that the physical plant used in interconnection served both intrastate and interstate services. The same rationale applies to CMRS services, since the physical plant is inseverable. (18-19)

- Inconsistent state and local regulations regarding resale switch proposals should also be preempted. The same inseparability justification applies because the physical network used to provide CMRS cannot be severed into separate components. (39-40)

Roaming:

- Further regulatory action regarding roaming services is unfounded. Absent persistent, substantial market power, producers' pursuit of economic efficiency, not government intervention, should determine the extent of CMRS roaming. (19)
- Current requirements under § 22.901 of the Commission's rules are sufficiently broad to foster PCS roaming services without imposing undue costs on the CMRS industry. (19-20)
- Cellular carriers will service PCS subscribers in one of two ways: 1) Subscribers using dual-band phones will appear on cellular systems as cellular customers. Service rules will then require cellular carriers to provide service to roamer customers. 2) PCS carriers can program dual-band phones with cellular system I.D.s, making it impossible for cellular systems to discriminate. (20)
- A review of the winning bidders in the recent PCS auctions indicates that current cellular providers will also be providing PCS services. As a result, market forces and private negotiations are sufficient to ensure ubiquitous roaming service. (21)
- The present system protects CMRS customers from anticompetitive behavior. Rule 22.901, the requirement that carriers routinely suspend roamer service for limited periods between city pairs, and voluntary protective measures against roamer traps all prevent anticompetitive activity. (21-22)

CMRS Resale:

- **Applicability of Requirement; Excluded Services**
 - Regulatory parity demands that all CMRS providers be subject to resale obligations. The flexibility of the existing resale obligation of § 22.901(e) allows the FCC to avoid technology-based distinctions. (22-23)

- § 332 directs the Commission to achieve regulatory parity among substantially similar services. Imposing equivalent resale obligations on all CMRS providers patterned upon the cellular model is necessary to fulfill this objective. (23-24)
- There should be no distinction between broadband and narrowband services. If consumers perceive the services offered by broadband and narrowband providers as reasonable substitutes, the services should be treated as functional equivalents. (24)
- **Resale by Facilities-Based Competitors**
 - Resale obligations for facilities-based carriers should sunset at the end of five years. A five year threshold reinforces PCS carriers' incentives to build out their systems. The Commission should also permit the parties to continue the obligation contractually if the parties perceive it to be economically efficient. (25)
- **Switch Interconnection by Resellers**
 - The Commission should not impose a reseller switch interconnection requirement. A reseller switch requirement is inconsistent with the mobile services industry's competitive market structure and could delay the rollout of new services and technologies. (27)
 - Requiring any firm to grant access or unbundle its network facilities is justified only when a monopoly provider controls access to essential facilities. No CMRS firm controls such a facility. (28-29)
 - The antitrust jurisprudence of tie-in sales is the proper framework for analyzing "unbundling" requirements. Access by a competitor to portions of a network should not be required unless (1) there is a separate demand for the competitor's "tied" product and (2) the tying product enjoys market power. CMRS providers do not meet these criteria. (29-31)
 - The costs borne by CMRS providers and consumers as a result of unbundling requirements would far outweigh the benefits. A firm required to unbundle its network may incur pricing, construction, hardware, software, and maintenance costs. It is unlikely that firms will be able to recover such costs through compensatory pricing. (31-33)

- Administrative burdens created by unbundling requirements would be enormous. Defining separable network components, setting reasonable prices, and establishing terms of access would require a tremendous amount of resources. (33-34)
- Problems in defining and valuing the underlying segments of the network could create disincentives to innovation and incentives to "free ride." A firm will not invest in facilities if competitors can free ride on its risk-taking. (34-35)
- Unbundling requirements would expose firms to strategic behavior by competitors. Smaller non-dominant firms that are required to interconnect, for example, may be subject to exorbitant demands by larger competitors. (35)
- The questionable efficacy of Open Network Architecture and expanded interconnection as implemented within the local exchange industry indicates that a rigorous regulatory regime for CMRS is unwise. (36)
- The proliferation of facilities-based CMRS competitors is a far superior means to promote competition than the proliferation of resellers. Resellers cannot add to capacity or innovate. (37)
- The reseller switch concept fails to account for differences between wireline and wireless networks. There is no useful technical analogy linking LEC and wireless networks. (37-38)
- A reseller switch requirement may be technically infeasible. No cellular network equipment currently exists to support unbundling of line side cellular service network components. Proposals to separate network functions therefore raise cost and efficiency issues as well. (38-39)
- CMRS networks are rapidly evolving; investments in equipment to provide switch-based resale would be costly and provide incentives to use the regulatory process to delay innovation. (39)
- **Number Transferability/Portability**
 - Portability issues should be addressed as part of a general rule making proceeding. (25)

- Portability is crucial in landline networks, but not as important in wireless networks. As a consequence, it is impossible to predict whether a resolution of the portability issue alone will facilitate resale or enhance competition. (25-26)

COMCAST CELLULAR COMMUNICATIONS, INC.

Interest: Provider of cellular services

CMRS-to-CMRS Interconnection:

- **Need for Regulatory Mandate**
 - CMRS providers, in the absence of market power, can be expected to exercise sound business judgment in negotiating interconnection agreements with other CMRS providers. (1, 5)
 - Landline and wireless local exchange service should be the relevant product markets and a flexibly defined local service area should be the relevant geographic market. Since CMRS providers lack market power in these competitive markets, no interstate interconnection obligation should be imposed. (5-10)
 - Absent a § 201(a) hearing and public interest determination, precedent requires that the business judgment rule apply to decisions by CMRS providers pertaining to physical interconnection requests. § 201(a) imposes no affirmative duty upon CMRS providers to interconnect. (10-14)
 - Applying the business judgment rule to interconnection arrangements will facilitate the establishment of a nationwide wireless network and avoid the unnecessary imposition of infrastructure costs. (14-15)
 - Subjecting CMRS providers to the formal complaint process without a rulemaking to establish a general interconnection obligation violates providers' due process right to a hearing. The right to such a hearing is created by § 201(a). (16-18)
 - The hearing requirement cannot be satisfied by means of a formal complaint proceeding under § 208 because the Commission has already determined that the "hearing" under § 201(a) to impose an interconnection obligation is a rulemaking proceeding. (19)
 - The Commission should adopt a "sender-keep-all" approach to facilitate LEC-to-CMRS interconnection. Under such an approach, LECs and CMRS providers would not charge each other for terminating one another's traffic. (2-3)

- The Commission's proposed mutual compensation model of LEC-to-CMRS interconnection will not prevent the abuse of LEC monopoly power. New entrants who originate more traffic on the network of a monopolist than vice versa will be subject to overcharging. (3-4)

Roaming:

- The Commission should monitor potentially anticompetitive roaming practices. Since roaming is a service, the Commission has jurisdiction over violations of existing roaming requirements. Monitoring will deter unjustified refusals to provide roaming and facilitate the competitive development of a "network of networks." (20-21)
- A CMRS licensee's roaming partner, if a non-affiliated competitor, may use roaming as an anticompetitive tool. A carrier with affiliates in multiple markets may charge its affiliates low rates while charging non-affiliated roamers unreasonably high rates. (21-22)
- Appropriate network interface standards will speed the establishment of nationwide networks, since network interoperability among CMRS providers will facilitate roaming capability. (23)

CMRS Resale:

- **Applicability of Requirement; Excluded Services**
 - The Commission should extend the current resale obligations applicable to cellular providers to all CMRS providers. To require cellular licensees to provide resale while exempting other similarly situated providers would give such providers an unfair competitive advantage. (23-26)
- **Switch-Based Resale**
 - The Commission should not require resale to switch-based resellers. To require such resale would hinder the development of a seamless wireless network by rewarding entities for "piggy-backing" on the investments of CMRS and cellular licensees. (27-29)

- Requiring CMRS licensees to unbundle their services and offer interconnection on switch-based resellers' terms would be unduly costly. To comply with such a requirement CMRS licensees would have to dismantle their networks and would be forced to surrender their investments. (29-30)
- The Commission's statement in the *Notice* indicating that it will address the complaints of switch-based resellers in separate proceedings inappropriately singles out Comcast and assumes that the Commission can confer jurisdictional weight to issues in a complaint by referencing them in a rulemaking proceeding. Resellers' complaints should be addressed in the context of this rulemaking. (30-31)
- **Resale by Facilities-Based Competitors**
 - CMRS providers should not be required to resell to facilities-based carriers. Incumbent carriers enjoy no "headstart" over fully operational facilities-based competitors. The maximum period for any resale requirement should be three years. (26-27)

CONNECTICUT TELEPHONE AND COMMUNICATION SYSTEMS, INC.

Interest: Reseller of cellular and wireless services.

CMRS Resale

- **Applicability of requirement; excluded services**
 - Resale requirement should apply to all facility based carriers because such requirement would increase competition and lead to innovation. (3)
- **Switch interconnection by resellers**
 - Mandate switch interconnection because benefits will outweigh costs; administrative costs for carrier to unbundle not excessively high; benefits include lower prices for consumers, and greater flexibility. (4-5)
 - A mandatory switch interconnection policy would lower administrative costs for the FCC by limiting number of complaints for refusal to allow interconnection brought under Sections 332(c)(1)(B) and 201(a) of the Communications Act of 1934. (6)
 - Switch-based resale policy will enable small PCS providers to compete by giving them cost-effective means to deploy a significant component of their PCS networks. (9)

FRONTIER CELLULAR HOLDING, INC.

Interest: Provider of commercial mobile services

CMRS-to-CMRS Interconnection:

- **Need for Regulatory Mandate**
 - A duty of interconnection may be appropriate for some services, but such a requirement should not be imposed upon commercial mobile service providers. (1-2)
 - No particular commercial mobile service provider has sufficient market power to disadvantage rivals through denial of interconnection. There are two licensed cellular providers in each market, and PCS will serve as competitors to cellular providers. (2, 3-4)
 - Affiliation with a local exchange carrier will not provide a commercial mobile services provider with a competitive advantage or the ability to discriminate. If direct mobile-to-mobile interconnection is more economical, LEC-MSP affiliations will simply raise the costs of doing business for the mobile service provider. (4)
 - If interconnection proves to be economically attractive, it will occur naturally as a result of competitive market forces. (4-5)

Roaming:

- The Commission should encourage but not mandate particular roaming arrangements. Cellular carriers have market incentives to enter into mutually beneficial roaming agreements with non-cellular carriers. (5-6)
- Requiring cellular carriers to enter into non-reciprocal roaming arrangements or to provide access to their data bases would discourage investment in commercial mobile services and encourage free riding. (2, 6)

CMRS Resale:

- **Resale by Facilities-Based Competitors**
 - A prohibition against restrictions on resale is generally acceptable, but it should not provide unlimited opportunities for facilities-based competitors. (6)
 - Unlimited resale by facilities-based competitors will discourage new entrants from fully constructing their systems and will unfairly disadvantage existing commercial mobile service providers who have already invested in their networks. (7)
 - Licensees should be able to resell their competitors' services during the five-year build out period, but not thereafter. "Competitors" should be defined to include licensees that have overlapping service areas. (7-8)
- **Switch Interconnection by Resellers**
 - The Commission should not require licensees to permit interconnection of reseller switches. There is no competitive necessity for doing so and such a requirement would generate no clear benefits. (6, 8)

GENERAL COMMUNICATIONS, INC.

Interest: Parent of future PCS provider.

CMRS-to-CMRS Interconnection:

- **Need for regulatory mandate**
 - Highest possible form of interconnection between CMRS providers should be required upon bona fide request. (2-3)
 - CMRS providers are common carriers and should therefore be required to interconnect. (2)
 - Rural and non-rural areas should have same requirement. (2)
 - Agrees that Commission cannot state exactly where point of interconnection should occur and what specific functions and features should be available. However, interconnection should include number portability, unbundling of network functions and services, access to databases and signalling, and mutual compensation. (2-4)
 - All features and functions of network must be portable and transparent to users, so that consumers can receive services between networks, such as CLASS services, calling cards, and SS7 capabilities. (3)
 - Commission must be ready to handle CMRS-to-CMRS interconnection issues on an expedited basis. (3)
 - Commission must clearly state requirement of interconnection upon request so that CMRS networks will be built as to encourage interconnection. (3)
 - Existing cellular companies should be give six months from date of bona fide interconnection request to upgrade their network. (3)

Roaming:

- Supports mandatory roaming. All providers, including potential providers must be involved in any development of standards, and all roaming issues must be quickly resolved. (5)

CMRS Resale:

- **Applicability of requirement; excluded services**
 - Supports extending resale requirement to all CMRS providers. Carriers' tariffs and contracts should be available to anyone, including resellers. (5)

GENERAL SERVICES ADMINISTRATION

Interest: One of nation's largest consumers of telecommunications services.
Filing on behalf of the Federal Executive Agencies.

CMRS-to-CMRS Interconnection:

- **Need for regulatory mandate**
 - CMRS interconnection rules that encourage a robust "network of networks" not requiring traffic between radio carriers to be routed through a LEC switch should be adopted. (4)
 - CMRS interconnection requirements will accelerate the growth of diverse and competitive mobile services. (3), (5)
 - Interconnection will also provide more opportunities for the Federal Government and business users to obtain telecommunications services through an active competitive bidding process. (3-4)
 - Interconnection should be required for all CMRS providers, regardless of market power, size or corporate affiliation with a local exchange carrier, to enable all to compete on equal standing. (4)
 - Section 332(c) of the Communications Act, as amended, requires all common carriers to interconnect with CMRS providers. Since CMRS providers are classified as common carriers, they are obligated to provide CMRS-to-CMRS interconnection. (5)

CMRS Resale

- **Applicability of requirement; excluded services**
 - CMRS resale should be required as it will promote competition and contribute to market strength. Also, resellers often add value to telecommunications services. (6)
 - Resale will involve minimal expense and no foreseeable technical problems for most CMRS licensees. (6)
 - Some regulation may be necessary to ensure that firms providing resale capacity do not unfairly constrict their activities. (7)

- CMRS providers should be required to make air time available to resellers, to avoid discriminatory rate structures and to make any volume discounts available to customers also available to resellers. (7)
- **Resale by facilities-based competitors**
 - The requirements to provide resale capacity to facilities-based carriers should not terminate when these firms attain a larger share of the market. (8)
 - These requirements should not sunset on any predetermined schedule. (8)
- **Switch interconnection by resellers**
 - An interconnected switch would provide resellers with more flexibility in structuring their own mobile radio services. (7)
 - End users will benefit if the facilities-based carriers make air time and other services available to the resellers at cost-based rates that reflect the economies of providing bulk service. (7)

GEOTEK COMMUNICATIONS, INC.

Interest: 900 MHz SMR licensee and service provider.

CMRS-to-CMRS Interconnection:

- **Need for regulatory mandate**
 - Mandate is unnecessary and premature. (2)
 - CMRS customers can interconnect through the PSTN. (2)
 - Since CMRS technology is only developing, technical feasibility and economic impact of mandate cannot be determined. (3)
 - Since CMRS marketplace is competitive, without dominant or bottleneck providers, market forces will ensure accessibility between providers if demanded by customers. (3)

CMRS Resale:

- **Applicability of requirement; excluded services**
 - Opposes requirement, especially for SMR. Market is already competitive and diverse, and even has cross-service competition. (4-7)
 - Requirement would undermine competition and technical innovation because competitors would resell instead of investing in their own technology and build-out. Resellers would be unjustly enriched. (7-9)

GTE

Interest: Telephone and wireless company.

CMRS-to-CMRS Interconnection:

- **Need for regulatory mandate**
 - Opposes mandate. Commission should rely on competitive market conditions. (4-7)
 - It will be hard for a CMRS provider to obtain a significant size advantage (market power). Two firms of similar size will gain more from mutually allowing direct interconnection. (5)
 - Mandate is unnecessary because CMRS providers can mutually interconnect indirectly through the LEC network. (7)
 - Supports LEC-to-CMRS provider interconnection arrangements through negotiation, not tariff. (7)
 - Mandate may harm CMRS technological development. (7-8)
 - There is no evidence that marketplace will not ensure interconnection. Regulators should only act when markets fail. (8)
 - Commission already can act on unreasonable or discriminatory denials of interconnection, case-by-case, under § 208 of the Act. (8-9)
 - Relevant geographic and product markets must be determined case-by-case, due to rapid change in the CMRS industry. (9-10)
 - LEC-affiliated CMRS providers are unlikely to deny interconnection to rivals. Carriers' interconnection decisions are based on costs and technical feasibility, not affiliation. Also, such a strategy is prevented by the competitive market, and such denials can be dealt with through the complaint process. (10-11)
- **Preemption of state requirements**
 - Any state-imposed CMRS-to-CMRS interconnection obligations should be preempted. (11)

- State regulation would interfere with market forces, and could inhibit PCS deployment and cause costly delays to CMRS providers' build-out plans. (11)
- Commission previously preempted state regulation of cellular carrier-to-LEC interconnection for similar reasons -- infeasibility of dividing jurisdiction, ensuring carrier access to the interstate network, and helping prevent diminished signal quality. (11-12)

Roaming:

- Opposes roaming requirement at this time. Market forces will encourage carriers to make roaming agreements with other CMRS providers. (12-13)
- Economic forces led to cellular network IS-41 standard and seamless cellular roaming service. (14)
- Opposes requiring cellular carriers to provide service to roaming PCS subscribers. § 22.901 applies only to cellular subscribers. Also, PCS licensees use different technologies will make PCS-cellular roaming practically and technically difficult. CMRS industry has economic incentive to resolve any technical problems itself. (14-16)

CMRS Resale:

- **Applicability of requirement; excluded services**
 - Supports requirement for all CMRS providers except air-ground providers, absent showing of technical infeasibility or economic unreasonableness. (16-17)
 - Commission should consider all circumstances in denial of service prior to finding violation. In PCS, unlicensed competitors may use resale obligation to try to alter a start-up PCS licensee's build-out investment decisions. (17-18)
 - Excluding air-ground providers would not violate §§ 201(b) or 202(a) of the Act. (18-19)
 - Requirement would be too difficult for air-ground providers due to incompatible equipment. Requiring compatibility would be very costly and force sharing of proprietary technological information, thus discouraging innovation. (19-20)

- Air-ground service has limited capacity, and spectrum must be shared. No spare capacity is available to be resold in bulk. Resale agreements would also need to compensate other air-ground providers for the diminished capacity available. (20-21)
- Air-ground provider market is very competitive. (21-22)
- **Resale by facilities-based competitors**
 - Resale requirement to licensees in same or overlapping market should sunset at most five years from license issuance. (22-23)
 - Underlying facilities-based carriers should be able to negotiate full compensation for expenditure on facilities built specifically to meet resale needs of other facilities-based providers. Otherwise, underlying carriers will incur construction costs for facilities that may be analog and may be unused once resellers build their own facilities. (23)
- **Switch interconnection by resellers**
 - Reseller switch proposal would impose additional costs on cellular carriers, would not enable resellers to provide more services, and is unnecessary given the number of competing CMRS providers. (24)
 - Commission should explicitly preempt state authority to mandate reseller switch interconnection. (25-26)

HORIZON CELLULAR TELEPHONE COMPANY

Interest: CMRS provider

CMRS-to-CMRS Interconnection

- **Need for regulatory mandate**
 - Imposition of a general interconnection obligation is premature and unwarranted because CMRS industry is undergoing rapid technological change. Thus, the Commission would be unable to predict the negative consequences that imposing a general interconnection obligation would have on small providers' infrastructure development and network efficiency. (2)
 - A general interconnection obligation may diminish the competitive edge a small provider has earned in a particular area by giving other CMRS providers the automatic right to use that provider's infrastructure. (2)
 - Mandatory CMRS interconnection would operate as a disincentive for further network expansion and would freeze capital that might otherwise be used to build additional cell sites to serve rural areas. (2-3)
 - Carriers can negotiate CMRS-to-CMRS interconnection arrangements as demand requires. (3)
- **Preemption of state requirements**
 - FCC should preempt the states' authority to regulate CMRS interconnection. (3)

CMRS Resale

- **Switch interconnection by resellers**
 - Resellers should not have mandatory switch-to-MTSO interconnection. They currently can enter such agreements with cellular providers and will have increased opportunities to directly interconnect with CMRS networks as the industry expands. (4)